VZCZCXRO9266 OO RUEHBI RUEHCI DE RUEHNE #2021/01 0821305 ZNY CCCCC ZZH O 231305Z MAR 06 FM AMEMBASSY NEW DELHI TO RUEHC/SECSTATE WASHDC IMMEDIATE 1670 INFO RUEHBJ/AMEMBASSY BEIJING 1057 RUEHLM/AMEMBASSY COLOMBO 4242 RUEHKA/AMEMBASSY DHAKA 4276 RUEHIL/AMEMBASSY ISLAMABAD 7179 RUEHBUL/AMEMBASSY KABUL 2498 RUEHKT/AMEMBASSY KATHMANDU 4926 RUEHLO/AMEMBASSY LONDON 8988 RUEHMO/AMEMBASSY MOSCOW 7454 RUEHKO/AMEMBASSY TOKYO 2938 RUEHCI/AMCONSUL CALCUTTA 2627 RUEHCG/AMCONSUL CHENNAI 2484 RUEHBI/AMCONSUL MUMBAI 1719 RUCNDT/USMISSION USUN NEW YORK 9795 RHEHNSC/NSC WASHDC RUEIDN/DNI WASHINGTON DC RHHMUNA/CDR USPACOM HONOLULU HI RUEHGV/USMISSION GENEVA 2030 RUCPDOC/DEPT OF COMMERCE WASHDC RHHJJPI/PACOM IDHS HONOLULU HI RHMFISS/HQ USSOCOM MACDILL AFB FL RHMFISS/HQ USCENTCOM MACDILL AFB FL RUEKJCS/SECDEF WASHDC RUEKJCS/JOINT STAFF WASHDC

C O N F I D E N T I A L SECTION 01 OF 03 NEW DELHI 002021

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TAGS: PGOV IN

SUBJECT: SONIA GANDHI'S RESIGNATION FROM PARLIAMENT SETS OFF CHAIN REACTION WITH DEEP POLITICAL CONSEQUENCES

Classified By: DCM Bob Blake Jr., Reason 1.5 (B,D)

(C) Summary: Complicated political maneuvering culminated in Sonia Gandhi's dramatic resignation from Parliament and as head of the National Advisory Council (NAC) on March 23. Congress set off the furor when it tried to use an obscure Constitutional act which forbids MPs from holding "offices of profit" to disqualify MPs from its arch enemy the Samajwadi Party (SP). The SP and BJP then argued disingenuously that Gandhi and other Congress and Communist MPs were equally quilty and should also be disqualified. When Congress tried to head-off the move by introducing an ordinance to change the legislation, it set off a firestorm of opposition in Parliament. Gandhi's resignation will likely be followed by Congress dropping the ill-advised ordinance idea, and heads-off further opposition moves. Our sources tell us that Gandhi's resignation could be quickly followed by the resignations of up to 40 additional MPs and a series of by-elections to fill the vacant seats. The move was purportedly Gandhi's idea and that it will likely increase her political stock, reinvigorate Congress, and improve its chances in upcoming elections, thereby changing a potential political defeat into a political asset. Sonia has already announced that she will stand as soon as possible in a new election to reclaim her seat, expressing confidence that the voters will support her. End Summary.

A Dramatic Resignation

12. (U) On March 23 in a dramatic announcement, Congress Party President Sonia Gandhi resigned from Parliament and stepped down as head of the National Advisory Council (NAC). In her statement Ms. Gandhi said she was deeply hurt by opposition attacks on her good name and that "I have never considered personal gains and have always worked for a secular society free of all prejudice."

13. (U) Sonia Gandhi was both a member of the Lok Sabha and Chairperson of the NAC, a new body established by the UPA after it came to power in 2004. The ostensible purpose of the NAC is to oversee the implementation of the Common Minimum Program (CMP) that forms the basic guiding principle for the UPA alliance and its head was granted Cabinet Minister status. Many political observers have criticized the NAC as a powerless body set up to further aggrandize Ms. Gandhi.

More Congress Plotting

14. (U) The (Prevention of Disqualification) Act of 1959 of the Indian Constitution prohibits an MP from holding an "office of profit" unless it is specifically exempted. The controversy arose after the UPA used the Act to disqualify Jaya Bachchan, a Bollywood actress, wife of Bollywood legend Amitabh Bachan, and a Samajwadi Party(SP) MP. The UPA argued that Ms. Bachan could not serve in Parliament, as she held an office of profit as Chairperson of the Uttar Pradesh Film Development Council. Most political pundits saw Ms. Bachan's disqualification as only the opening round of a concerted campaign orchestrated by Congress to get the SP leadership out of Parliament, with SP fixer Amar Singh as the principal target.

Leads to Mayhem in Parliament

NEW DELHI 00002021 002 OF 003

15. (U) Outraged by Ms. Bachan's ouster, the SP took the offensive, stating that numerous Congress MPs, including Ms. Gandhi, also held positions of profit and should be expelled. The BJP, sensing that Congress was vulnerable, joined hands with the SP. The opposition parties filed petitions with the President seeking Sonia Gandhi's disqualification, as well as the disqualifications of a number of other senior Congress and Left MPs (including Lok Sabha Speaker Somnath Chatterjee), who they alleged also held offices of profit.

And an ill-advised Ordinance

16. (U) Congress party leaders, fearing that Sonia could be disqualified and hoping to head-off the opposition challenge, announced in Parliament on March 22 their intention to change by ordinance the definition of an "office of profit." The Congress move backfired, however, as opposition MPs loudly argued that the proposed ordinance was nothing more than a UPA attempt to shield Sonia Gandhi from the Act, leading to spirited verbal clashes on the floor of Parliament between UPA and opposition National Democratic Alliance (NDA) MPs. When the speaker could no longer control the mayhem, he abruptly adjourned the session. Angry NDA leaders then urged President Abdul Kalam not to sign any ordinance that the government might bring forward on this issue. While former Prime Minister and BJP senior statesman AT Vajpayee asserted that "I don't think this Ordinance will come, and if it comes, it will mark the end of this government."

Views of the Political Pundit

¶7. (C) In a March 23 meeting with Poloff, Political pundit and "Hindustan Times" columnist Pankaj Vohra praised Ms. Gandhi for her astute political leadership, asserting that she had been misled by her political advisors who thoughtlessly proposed the Ordinance. According to Vohra, it was Gandhi's idea to resign, which has effectively turned the tables on the opposition. Vohra maintained that Gandhi's move will have far-reaching political consequences that will benefit Congress and hurt the BJP.

18. (C) Pointing out that up to 40 MPs, including the Speaker, Congress luminary Karan Singh, and others, hold "offices of profit," Vohra predicted that most will resign from Parliament by the night of March 24, setting of a wave of by-elections to fill the vacant seats. Claiming that Sonia Gandhi's political capital with the masses will increase manyfold, Vohra was adamant that she will be pushed to the political forefront, giving Congress the edge it needs to defeat its opponents in upcoming state elections. He further noted that Sonia Gandhi's seat is in Rae Barelli in Uttar Pradesh and that her election campaign there to reclaim her seat will be the focal point of a concerted effort to revive the Congress party in that crucial state.

Comment - Defeat Into Victory

¶9. (C) In its anxiousness to protect Mrs. Gandhi, the Congress party leadership took a route that led to more confrontation with the opposition BJP and could have provided it with an issue to target Congress. By resigning, she has moved to become a political martyr and Congress will now portray her as a dedicated patriot not interested in

NEW DELHI 00002021 003 OF 003

political office but only in serving the people. It will be difficult for the BJP and SP to counter the Gandhi mystique and if Congress plays its cards right, it can turn a misguided parliamentary gambit into electoral gain. MULFORD